

September 14, 2020

**SUBJECT:** Amend the FY2021 Operating Budget

**RECOMMENDATION**

That the Board of Trustees amend the FY2021 Operating Budget.

**RELATED BOARD POLICY OR PLANNING PRIORITY**

This item is consistent with policy CC(Local), CAI(Local)

**RATIONALE**

On July 6, 2020 the Board adopted the FY2021 Operating Budget with the understanding that the administration would “work with the Board Officers to schedule a budget discussion in September or October, and if needed another one in February or March, in order to review the College’s revenue projections and consider a FY21 salary increase for employees.”

Since budget adoption, we have received clarity that it is now unlikely the State will reduce funding for community colleges during FY21. Additionally, the college will no longer need to conduct a Board of Trustees election this fall, thus saving over \$1 million. Given this relatively good news concerning the FY21 Budget, the administration is more comfortable in recommending a salary increase. Therefore, the administration is recommending the Board amend the originally adopted FY2021 Budget to reflect: 1) an increase in projected State Appropriations; 2) a decrease in election expenses; and 3) an increase in salaries and retirement contributions to reflect a 2% annual raise effective September 1, 2020.

The attached budget documents highlight (in yellow) the line items and dollar amounts amended to reflect these changes. With these changes the budget remains balanced and therefore the administration is requesting adoption of this amended budget.

**BUDGETARY CONSIDERATION**

Included in FY2021 Budget projections.

**RESOURCE PERSONNEL**

Neil Vickers, Executive Vice President, Finance & Administration

**ATTACHMENTS**

- A) FY2021 “Value of One” Reference Guide
- B) FY2021 Revenue and Expense Summaries
- C) FY2021 – FY2029 Projected Revenues and Expenses
- D) FY2021 Compensation & Benefits

Respectfully Submitted By:

Neil Vickers, Executive Vice President, Finance & Administration

Dr. Richard M. Rhodes, Chancellor

## FY2021 BUDGET DISCUSSION TOPICS

Topic	Discussion Date	Action Date	Status
Tuition & Fees	5/4/2020	5/4/2020	Complete
Budget Policy Changes (if any)	6/1/2020 & 6/22/2020	6/22/2020	Complete
Technology and Capital Outlay Plan	6/1/2020 & 6/22/2020	7/6/2020	
Compensation & Benefits	6/22/2020	7/6/2020	
New Budget Items			
Operations for New Facilities	6/1/2020 & 6/22/2020	7/6/2020	
Strategic Plan Initiatives/New Items	6/1/2020 & 6/22/2020	7/6/2020	

## ACC FY2021 "VALUE OF ONE" REFERENCE GUIDE

### State Appropriations

Projection	\$ 44,928,419
Percent Increase	1%
<b>Value of 1%</b>	<b>\$ 449,284</b>

### Credit Tuition

Projected Credit Tuition	\$ 55,039,010
Percent Increase	1%
<b>Value of 1%</b>	<b>\$ 550,390</b>

Residency	Value of \$1 per SCH			Total
	Fall	Spring	Summer	
In-District	\$260,000	\$245,000	\$110,000	\$615,000
Out-of-District	\$43,000	\$40,000	\$13,000	\$96,000
Out-of-State	\$9,000	\$8,000	\$5,000	\$22,000
<b>Total</b>	<b>\$312,000</b>	<b>\$293,000</b>	<b>\$128,000</b>	<b>\$733,000</b>

### Property Tax

Projected Tax Base	\$ 248,329,057,778
M&O Tax Rate	0.0009
Projected Taxes	\$ 223,496,152
Percent Increase	1%
<b>Value of 1%</b>	<b>\$ 2,234,962</b>
M&O Tax Rate Increase	0.0001
<b>Value of 1 cent</b>	<b>\$ 24,832,906</b>

### Property Tax Exemptions

Projected # of Senior/Disabled	75,000
Tax Rate	0.0009
\$ Increase in exemption	1,000
<b>Value of \$1,000 Increase in Exemption</b>	<b>\$ 67,500</b>
Projected # of Homesteads	265,000
Tax Rate	0.0009
\$ Increase in exemption	1,000
<b>Value of \$1,000 Increase in Exemption</b>	<b>\$ 238,500</b>

### Compensation

Classification	~Payroll	Cost of 1%	Cost of 2%	Cost of 3%	Cost of 4%
FT Faculty	\$ 65,000,000	\$ 650,000	\$ 1,300,000	\$ 1,950,000	\$ 2,600,000
Adjunct Faculty	30,000,000	300,000	600,000	900,000	1,200,000
Classified	48,000,000	480,000	960,000	1,440,000	1,920,000
Professional Technical	42,000,000	420,000	840,000	1,260,000	1,680,000
Administrator	10,000,000	100,000	200,000	300,000	400,000
Hourly	11,000,000	110,000	220,000	330,000	440,000
<b>Total</b>	<b>\$ 206,000,000</b>	<b>\$ 2,060,000</b>	<b>\$ 4,120,000</b>	<b>\$ 6,180,000</b>	<b>\$ 8,240,000</b>

### Bonds

\$1 Million in Bonds	\$ 1,000,000
Interest Rate	4.0%
Number of Years	25
<b>Debt Service per \$1 Million in Bonds</b>	<b>\$ 64,012</b>
\$1 Million in Revenue	\$ 1,000,000
Interest Rate	4.0%
Number of Years	25
<b>Bonds per \$1 Million in Revenue</b>	<b>\$ 15,622,080</b>

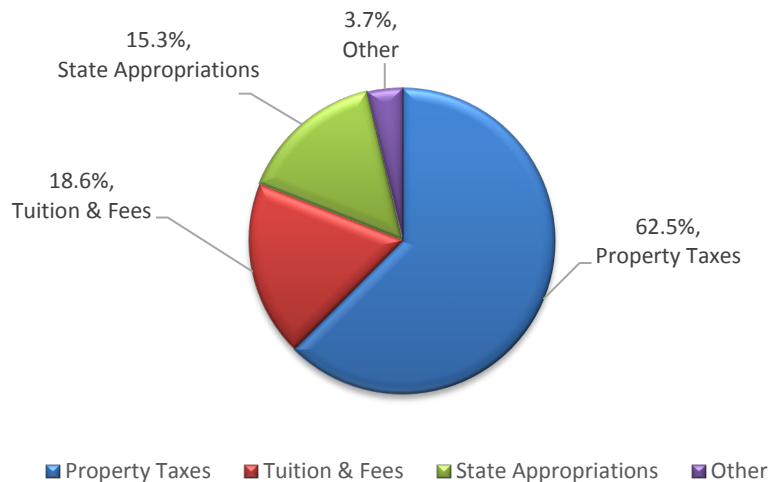
## FY2021 OPERATING BUDGET SUMMARY

Revenues	FY2021 Proposed	% of Budget	Expenses	FY2021 Proposed	% of Budget
Property Taxes	\$ 262,919,951	62.5%	Salaries & Benefits	\$ 258,659,990	61.7%
Tuition & Fees	\$ 78,099,823	18.6%	Debt Service	\$ 73,499,634	17.5%
State Appropriations	\$ 64,372,068	15.3%	Operating Costs	\$ 64,464,381	15.4%
Other	\$ 15,475,000	3.7%	Equip, Tech, & Plant	\$ 22,639,516	5.4%
<b>Total Revenue</b>	<b>\$ 420,866,842</b>	<b>100.0%</b>	<b>Total Expenses</b>	<b>\$ 419,263,521</b>	<b>100.0%</b>

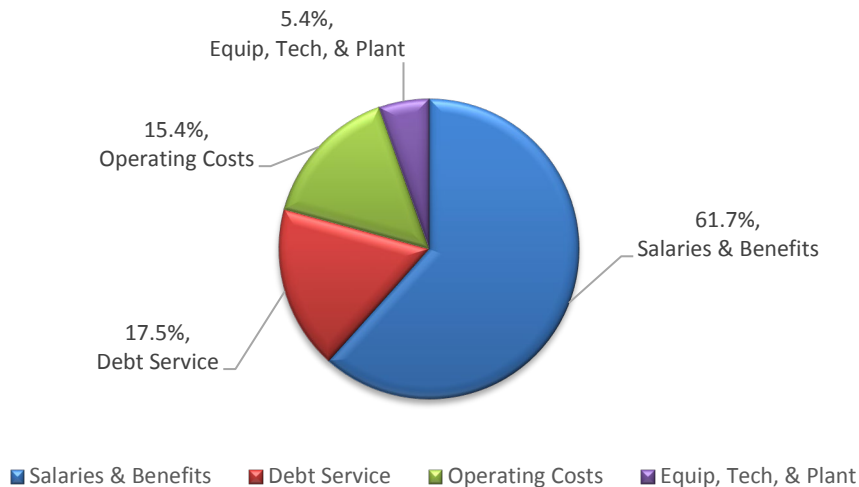
## FY2021 OPERATING BUDGET SUMMARY (excluding Property Tax Debt Service)

Revenues	FY2021 Proposed	% of Budget	Expenses	FY2021 Proposed	% of Budget
Property Taxes	\$ 223,496,152	58.6%	Salaries & Benefits	\$ 258,659,990	68.1%
Tuition & Fees	\$ 78,099,823	20.5%	Debt Service	\$ 34,075,835	9.0%
State Appropriations	\$ 64,372,068	16.9%	Operating Costs	\$ 64,464,381	17.0%
Other	\$ 15,475,000	4.1%	Equip, Tech, & Plant	\$ 22,639,516	6.0%
<b>Total Revenue</b>	<b>\$ 381,443,043</b>	<b>100.0%</b>	<b>Total Expenses</b>	<b>\$ 379,839,722</b>	<b>100.0%</b>

### FY2021 Projected Revenues



### FY2021 Budgeted Expenses



### FY2021 APPROVED TUITION & FEE RATES

Category	FY2020 Approved	FY2021 Projected	Increase/ (Decrease)	% Change	Comments
In District Tuition	67.00	67.00	-	0.0%	No Change
Out of District Tuition	67.00	67.00	-	0.0%	No Change
Out of District Fee	276.00	276.00	-	0.0%	No Change
Out of District DE Fee	201.00	201.00	-	0.0%	No Change
Out of State Tuition	416.00	416.00	-	0.0%	No Change
Out of State DE Tuition	335.00	335.00	-	0.0%	No Change
General Fee	15.00	15.00	-	0.0%	No Change
Sustainability Fee	1.00	1.00	-	0.0%	No Change
Student Success Fee	2.00	2.00	-	0.0%	No Change

### FY2021 PROJECTED REVENUES - OPERATING FUNDS (9/14/2020)

Category	FY2020 Budgeted	FY2020 Projected	FY2021 Projected	Increase/ (Decrease)	% Change	% Of Budget	
In District Tuition	40,784,709	40,440,001	41,196,759	412,050	1.0%	9.8%	Adjusted for FY20 Actuals, 1% growth, and no rate increase
Out of District Tuition	6,106,380	6,232,316	6,168,073	61,693	1.0%	1.5%	Adjusted for FY20 Actuals, 1% growth, and no rate increase
Out of State Tuition	7,695,920	7,497,987	7,674,178	(21,742)	-0.3%	1.8%	Adjusted for FY20 Actuals, 1% growth, and new DE rate
Repeated Course Tuition	600,000	600,000	600,000	-	0.0%	0.1%	Adjusted for FY20 Actuals, 0% growth, and no rate increase
Total Credit Tuition	55,187,009	54,770,304	55,639,010	452,001	0.8%	13.2%	
Out of District Fee	24,254,640	25,020,757	23,265,433	(989,207)	-4.1%	5.5%	Adjusted for FY20 Actuals, 1% growth,
General Fee	10,887,278	10,982,030	10,996,150	108,873	1.0%	2.6%	Adjusted for FY20 Actuals, 1% growth, and no rate increase
Student Success Fee	1,451,637	1,464,270	1,466,153	14,516	1.0%	0.3%	Adjusted for FY20 Actuals, 1% growth, and no rate increase
Sustainability Fee	725,819	732,135	733,077	7,259	1.0%	0.2%	Adjusted for FY20 Actuals, 1% growth, and no rate increase
Course Fees	4,499,550	6,054,745	6,000,000	1,500,450	33.3%	1.4%	Increase in First Day (Inclusive Content) utilization
Exemptions/Waivers	(19,000,000)	(19,602,635)	(20,000,000)	(1,000,000)	5.3%	-4.8%	Adjusted for FY20 Actuals, 3% growth, and no rate increase
State Appropriations - Formula	44,928,419	44,928,419	44,928,419	-	0.0%	10.7%	Second Year of State Biennium (assumes 0% reduction)
State Appropriations - HEGI*	11,197,235	11,197,235	11,197,235	-	0.0%	2.7%	Second Year of State Biennium
State Appropriations - TRS/ORP**	5,264,299	5,636,822	5,527,514	263,215	5.0%	1.3%	TRS Contribution Rate increase
State Appropriations - VCT***	438,900	438,900	438,900	-	0.0%	0.1%	Second Year of State Biennium
State Appropriations - ACE****	2,280,000	2,280,000	2,280,000	-	0.0%	0.5%	Second Year of State Biennium
Property Taxes - M&O	210,845,426	211,050,841	223,496,152	12,650,726	6.0%	53.1%	Adjusted for FY20 Actuals, plus 6% growth
Property Taxes - Debt Service	35,613,549	35,613,549	39,423,799	3,810,250	10.7%	9.4%	Adjusted for scheduled FY21 Payment
Indirect Cost Recovery	500,000	523,696	500,000	-	0.0%	0.1%	
Interest/Investment Income	3,500,000	3,267,401	1,000,000	(2,500,000)	-71.4%	0.2%	
Other Revenue	4,000,000	3,177,867	3,700,000	(300,000)	-7.5%	0.9%	Elgin PFC refunding. Offset with lower debt service payment
Continuing Education	6,500,000	7,101,405	6,500,000	-	0.0%	1.5%	
Sales & Services	1,500,000	1,435,396	1,500,000	-	0.0%	0.4%	
Auxiliary - Other	2,275,000	2,305,000	2,275,000	-	0.0%	0.5%	
<b>Total Projected Revenues</b>	<b>\$406,848,760</b>	<b>\$408,378,137</b>	<b>\$420,866,842</b>	<b>\$14,018,082</b>	<b>3.4%</b>	<b>100.0%</b>	

**Notes:**

\* HEGI = Higher Education Group Insurance

\*\* TRS = Teachers Retirement System

\*\* ORP = Optional Retirement Program

\*\*\* VCT = Virtual College of Texas

\*\*\*\*ACE = Adult Career Education

**FY2021 EXPENDITURE SUMMARY (9/14/2020)**

Categories	FY2020 Budgeted	FY2020 Projected	FY2021 Adjustments	FY2021 Budget Actions	FY2021 Proposed	Increase/ (Decrease)	% Change Budgeted	% Change Projected	% Of Budget
TBD-Campus Expansions/Strategic Plan				3,000,000 <sup>9</sup>	3,000,000	3,000,000			0.7%
<b>Employee Costs:</b>									
Full-Time Faculty Salaries	51,832,513	50,083,124	875,000 <sup>1</sup>	1,019,162 <sup>10</sup>	53,726,675	1,894,162	3.7%	3.8%	12.8%
Adjunct Faculty Salaries	30,066,376	29,915,632		598,313 <sup>10</sup>	30,664,689	598,313	2.0%	2.0%	7.3%
Full-Time Faculty Overload	8,273,859	9,417,896		188,358 <sup>10</sup>	8,462,217	188,358	2.3%	2.0%	2.0%
N-T Faculty Salaries	6,250,525	5,570,159		55,702 <sup>10</sup>	6,306,227	55,702	0.9%	1.0%	1.5%
Stipends/Temp Assignment Pay	1,687,780	1,909,907		38,198 <sup>10</sup>	1,725,978	38,198	2.3%	2.0%	0.4%
Administrative Salaries	9,615,706	9,249,099		92,491 <sup>10</sup>	9,708,197	92,491	1.0%	1.0%	2.3%
Prof-Tech Salaries	42,432,656	41,079,980		410,800 <sup>10</sup>	42,843,456	410,800	1.0%	1.0%	10.2%
Classified Salaries	48,310,725	44,854,212		448,542 <sup>10</sup>	48,759,267	448,542	0.9%	1.0%	11.6%
Hourly Wages	11,299,125	11,272,631		(563,632) <sup>10</sup>	10,735,493	(563,632)	-5.0%	-5.0%	2.6%
Overtime Wages	313,844	376,341		- <sup>10</sup>	313,844	-	0.0%	0.0%	0.1%
Employee Benefits	38,675,670	39,358,741	1,080,401	271,876 <sup>11</sup>	40,027,947	1,352,277	3.5%	3.4%	9.5%
Retiree Benefits	4,686,000	5,342,770	700,000 <sup>2</sup>		5,386,000	700,000	14.9%	13.1%	1.3%
<b>Subtotal</b>	<b>253,444,779</b>	<b>248,430,492</b>	<b>2,655,401</b>	<b>2,559,810</b>	<b>258,659,990</b>	<b>5,215,211</b>	<b>2.1%</b>	<b>2.1%</b>	<b>61.7%</b>
<b>Operating Costs:</b>									
Consumable Supplies	6,676,685	8,193,927	1,500,000 <sup>3</sup>		8,176,685	1,500,000	22.5%	18.3%	2.0%
Travel/Professional Development	1,569,115	1,569,115			1,569,115	-	0.0%	0.0%	0.4%
Operating Expenses	29,526,561	32,751,061	500,000 <sup>4</sup>		30,026,561	500,000	1.7%	1.5%	7.2%
Utilities	5,480,585	5,524,386	-		5,480,585	-	0.0%	0.0%	1.3%
Capital Outlay	9,406,439	9,406,439		4,000,000 <sup>9</sup>	13,406,439	4,000,000	42.5%	42.5%	3.2%
<b>Subtotal</b>	<b>52,659,385</b>	<b>57,444,928</b>	<b>2,000,000</b>	<b>4,000,000</b>	<b>58,659,385</b>	<b>6,000,000</b>	<b>11.4%</b>	<b>10.4%</b>	<b>14.0%</b>
<b>Transfers:</b>									
To Plant	9,225,818	9,225,819	7,259 <sup>5</sup>		9,233,077	7,259	0.1%	0.1%	2.2%
To Debt Service (G.O. Tax Bonds)	35,613,549	35,613,549	3,810,250 <sup>6</sup>		39,423,799	3,810,250	10.7%	10.7%	9.4%
To Debt Service (Revenue Bonds)	13,243,804	15,151,565	2,775,728 <sup>7</sup>		16,019,532	2,775,728	21.0%	18.3%	3.8%
To Debt Service (PFC Bonds)	20,679,818	17,922,819	(2,623,515) <sup>8</sup>		18,056,303	(2,623,515)	-12.7%	-14.6%	4.3%
To TPEG, SEOG, FWS	3,492,535	3,492,535	-		3,492,535	-	0.0%	0.0%	0.8%
To Institutional Advancement	3,000,000	5,370,172	-	(3,000,000)	-	(3,000,000)	-100.0%	-55.9%	0.0%
<b>Subtotal</b>	<b>85,255,524</b>	<b>86,776,458</b>	<b>3,969,722</b>	<b>(3,000,000)</b>	<b>86,225,246</b>	<b>969,722</b>	<b>1.1%</b>	<b>1.1%</b>	<b>20.6%</b>
Virtual College Of Texas	438,900	438,900	-		438,900	-	0.0%	0.0%	0.1%
Adult Career Education	2,280,000	2,535,386	-		2,280,000	-	0.0%	0.0%	0.5%
Continuing Education	6,500,000	6,694,740			6,500,000	-	0.0%	0.0%	1.6%
Sales & Services	1,500,000	1,515,334	-		1,500,000	-	0.0%	0.0%	0.4%
Auxiliary	2,400,000	1,991,998	(400,000)		2,000,000	(400,000)	-16.7%	-20.1%	0.5%
<b>Subtotal</b>	<b>13,118,900</b>	<b>13,176,358</b>	<b>(400,000)</b>	<b>-</b>	<b>12,718,900</b>	<b>(400,000)</b>	<b>-3.0%</b>	<b>-3.0%</b>	<b>3.0%</b>
<b>Total Budgeted Expenses:</b>	<b>\$ 404,478,588</b>	<b>\$ 405,828,236</b>	<b>\$ 8,225,123</b>	<b>\$ 6,559,810</b>	<b>\$ 419,263,521</b>	<b>\$ 14,784,933</b>	<b>3.7%</b>	<b>3.6%</b>	<b>100.0%</b>
<b>Net Revenue and Expense</b>	<b>\$ 2,370,172</b>	<b>\$ 2,549,901</b>			<b>\$ 1,603,321</b>				

## Footnotes to FY2021 Expenditure Summary - 7/6/2020

1 Based on FY20 Actuals. Plus project 1% growth in FY21 enrollments

2 Increase in Benefit Premiums. Increase in retirement contributions due to higher salaries and headcount.

3 Increase in Inclusive Content offerings. Funded by increase in Course Fee revenues.

4 **Increase in Property Insurance and Tax Collection Fees**

5 Based on FY21 projection for Sustainability Fee revenues

6 Reflects Scheduled FY21 Bond Payment

7 Reflects Scheduled FY21 Bond Payment

8 Reflects Scheduled FY21 Bond Payment

9 Available for new initiatives. Will be needed for ERP and HLC Phase 2 and RGC openings during FY21.

10 **Assumes a hiring freeze at least through Fall semester, and 2% raise for full-time faculty, adjunct faculty, and non-faculty staff.**

11 **Increase in employer contributions to retirement programs due to 2% salary increase**

**FY2021 - FY2029 PROJECTED REVENUES AND EXPENSES**  
(9/14/2020)

	FY2020 Approved	FY2021 Projected	FY2022 Projected	FY2023 Projected	FY2024 Projected	FY2025 Projected	FY2026 Projected	FY2027 Projected	FY2028 Projected	FY2029 Projected
<b>Projected Revenues</b>										
Tuition and Fees	\$ 84,505,932	\$ 84,599,823	\$ 87,684,440	\$ 89,191,014	\$ 90,727,721	\$ 92,295,160	\$ 93,893,950	\$ 95,524,715	\$ 97,188,095	\$ 98,884,743
State Appropriation - Formula	44,928,419	44,928,419	42,681,998	42,681,998	42,681,998	42,681,998	42,681,998	42,681,998	42,681,998	42,681,998
State Appropriation - HEGI	11,197,235	11,197,235	11,981,041	11,981,041	12,819,714	12,819,714	13,717,094	13,717,094	14,677,291	14,677,291
State Appropriation - TRS/ORP	5,264,299	5,527,514	5,803,890	6,094,084	6,398,788	6,718,728	7,054,664	7,407,397	7,777,767	8,166,656
State Appropriation - VCT	438,900	438,900	438,900	438,900	438,900	438,900	438,900	438,900	438,900	438,900
State Appropriation - ACE	2,280,000	2,280,000	2,280,000	2,280,000	2,280,000	2,280,000	2,280,000	2,280,000	2,280,000	2,280,000
Property Taxes - M&O	210,845,426	223,496,152	223,496,152	234,670,960	246,404,508	258,724,733	271,660,970	285,244,018	299,506,219	314,481,530
Property Taxes - Debt Service	35,613,549	39,423,799	27,684,049	27,695,049	27,530,799	27,524,749	27,599,169	27,598,519	27,590,569	27,594,669
Indirect Cost Recovery	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Interest Income	3,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Other Revenue	4,000,000	3,700,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Sales & Services	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Auxiliary Enterprises	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000
<b>Total Projected Revenues</b>	<b>\$ 406,848,760</b>	<b>\$ 420,866,842</b>	<b>\$ 411,325,470</b>	<b>\$ 424,308,047</b>	<b>\$ 438,557,428</b>	<b>\$ 452,758,983</b>	<b>\$ 468,601,745</b>	<b>\$ 484,167,642</b>	<b>\$ 501,415,839</b>	<b>\$ 518,480,786</b>
% Revenue Increase	5.69%	3.45%	-2.27%	3.16%	3.36%	3.24%	3.50%	3.32%	3.56%	3.40%
<b>Projected Expenditures</b>										
Policy DEA, Employee Compensation	\$ 7,500,000	\$ 3,859,100	\$ 6,000,000	\$ 6,303,600	\$ 6,622,562	\$ 6,957,664	\$ 7,309,722	\$ 7,679,594	\$ 8,068,181	\$ 8,476,431
Policy CL, Facilities Improvement	8,500,000	8,500,000	8,500,000	9,000,000	10,000,000	10,000,000	10,500,000	11,000,000	11,500,000	12,000,000
Policy CLA, Sustainability Initiatives	725,819	733,077	740,261	755,066	770,167	785,571	801,282	817,308	833,654	850,327
Policy CC, Technology & Capital Equipment	20,000,000	24,000,000	25,000,000	23,000,000	23,500,000	24,000,000	24,500,000	25,000,000	25,500,000	26,000,000
Policy CAD, GO Bond Payments	35,613,549	39,423,799	27,684,049	27,695,049	27,530,799	27,524,749	27,599,169	27,598,519	27,590,569	27,594,669
Policy CAG, Revenue Bond Payments	13,243,804	16,019,532	16,509,513	16,785,007	16,713,439	16,806,203	16,912,433	17,008,635	17,105,956	14,728,997
Policy CAO, PFC Lease Payments	20,679,818	18,056,303	18,189,329	18,323,569	18,467,816	18,858,475	19,018,009	19,179,587	19,357,876	19,550,402
Policy CC, Cash Reserves	3,000,000	-	-	-	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
<b>Total Board Policies</b>	<b>\$ 109,262,990</b>	<b>\$ 110,591,811</b>	<b>\$ 102,623,152</b>	<b>\$ 101,862,291</b>	<b>\$ 106,604,784</b>	<b>\$ 107,932,662</b>	<b>\$ 109,640,615</b>	<b>\$ 111,283,642</b>	<b>\$ 112,956,236</b>	<b>\$ 112,200,826</b>
Balance: Revenue less Board Policies	\$ 297,585,771	\$ 310,275,031	\$ 308,702,318	\$ 322,445,756	\$ 331,952,645	\$ 344,826,321	\$ 358,961,130	\$ 372,883,999	\$ 388,459,603	\$ 406,279,960
Less: Elections	0	0	0	1,250,000	0	1,250,000	0	1,250,000	0	1,250,000
Less: HEGI Benefits	25,691,660	25,691,660	26,976,243	28,325,055	29,741,308	31,228,373	32,789,792	34,429,282	36,150,746	37,958,283
Less: TRS/ORP Retirement Match	12,085,251	13,865,652	14,558,935	15,286,881	16,051,225	16,853,787	17,696,476	18,581,300	19,510,365	20,485,883
Less: Increase in Utilities, Insurance, etc.	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Less: Faculty Cost due to Enrollment Change	875,000	875,000	1,800,000	1,891,080	1,986,769	2,087,299	2,192,916	2,303,878	2,420,454	2,542,929
Less: Increase in TPEG, SEOG, Workstudy	0	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Less: Campus Expansion	1,000,000	3,000,000	3,000,000	0	0	0	0	0	0	0
Less: Strategic Plan & New Operating Costs	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Less: Current Service Level	245,834,507	254,063,688	264,739,397	274,544,664	286,944,664	296,739,344	306,948,675	317,593,638	328,696,278	340,279,753
Less: Adjustments to Current Service Level	8,229,181	10,675,709	9,805,267	12,400,000	9,794,680	10,209,331	10,644,963	11,102,640	11,583,476	12,088,639
<b>Net Revenues over Expenses</b>	<b>\$ 2,370,172</b>	<b>\$ 1,603,322</b>	<b>\$ (13,777,524)</b>	<b>\$ (12,851,925)</b>	<b>\$ (14,166,001)</b>	<b>\$ (15,141,813)</b>	<b>\$ (12,911,692)</b>	<b>\$ (13,976,739)</b>	<b>\$ (11,501,717)</b>	<b>\$ (9,925,530)</b>
<b>Tuition Rate Increases</b>										
In-District/Out-of-District Tuition Increase	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Out-of-District Fee Increase	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Out-of-State Tuition Increase	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Details of Adjustments to Current Service Level</b>										
Previous years raises from policy F-10	6,338,241	7,500,000	3,859,100	6,000,000	6,303,600	6,622,562	6,957,664	7,309,722	7,679,594	8,068,181
Adjustments for previous years actuals	750,000	(199,291)	1,571,167	0	0	0	0	0	0	0
Previous years Utilities, Benefits and Insurance	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Increase in Faculty due to increase in Enrollment	(1,000,000)	875,000	875,000	1,800,000	1,891,080	1,986,769	2,087,299	2,192,916	2,303,878	2,420,454
Matching Items (TPEG, SEOG, Workstudy)	0	0	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Campus Expansion	1,000,000	1,000,000	3,000,000	3,000,000	0	0	0	0	0	0
Master Plan/Requests for Current Operations	1,140,940	1,000,000	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Total Adjustments to Current Service Level</b>	<b>\$ 8,229,181</b>	<b>\$ 10,675,709</b>	<b>\$ 9,805,267</b>	<b>\$ 12,400,000</b>	<b>\$ 9,794,680</b>	<b>\$ 10,209,331</b>	<b>\$ 10,644,963</b>	<b>\$ 11,102,640</b>	<b>\$ 11,583,476</b>	<b>\$ 12,088,639</b>



## FY2021 AUXILIARY BUDGET

	FY2020 Approved	Changes	FY2021 Projected	Comments
<b>Revenues:</b>				
BookStore	700,000	-	700,000	
Vending Machines	125,000	-	125,000	
Cafes	50,000	-	50,000	
Golf Course	1,000,000	-	1,000,000	
Other (Cell Towers, Broadband Spectrum, etc)	400,000	-	400,000	
<b>Total Auxiliary Revenues</b>	<b>\$ 2,275,000</b>	<b>\$ -</b>	<b>\$ 2,275,000</b>	
<b>Expenses:</b>				
President	98,000	-	98,000	
<sup>1</sup> TACC Membership	75,000	-	75,000	
<sup>2</sup> Institutional Memberships	300,000	-	300,000	
Opportunity Austin/RR Chamber	30,000	-	30,000	
International Study Abroad Scholarship	50,000	-	50,000	
Holiday Event	30,000	-	30,000	
Community Events	50,000	-	50,000	
Graduation Keynote Endowments	50,000	-	50,000	
Golf Course Operations	1,250,000	-	1,250,000	
Other	67,000	-	67,000	
<b>Total Auxiliary Expenses</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ 2,000,000</b>	
<b>Revenues and Expenses, Net</b>	<b>\$ 275,000</b>		<b>\$ 275,000</b>	

<sup>1</sup> HB1495 Disclosure - TACC expenditures (FY19: \$18,150 and FY20: \$17,325)

<sup>2</sup> HB1495 Disclosure - TASB expenditures (FY19: \$102 and FY20: \$74.50)

## FY21 SUMMARY OF COMPENSATION & BENEFITS

In compliance with Board Policy, the following is a summary of compensation and benefit recommendations for FY21.

### A. Annual Adjustment

Based on current market data and the current uncertainty for future revenues, **the administration recommends an no annual increase at this time.** However, the administration is supportive of revisiting the decision on the annual increase once the future revenue picture of the College is more certain. As such, the administration would recommend follow-up compensation discussions in early fall (September or October) and if needed, in early spring (February or March).

The Consumer Price Index (CPI), which measures inflation for common goods and services has declined for three consecutive months for the first time in the history of the index (1970). Over the last 12 months the Dallas CPI is a negative 0.5% and Houston is negative 1.3% (CPI is not published for Austin). Staff has surveyed the other large community colleges and local entities to determine what they are planning and most of them are not giving raises either.

### B. Full-Time Faculty

Per Board Policy, the full-time faculty compensation survey is conducted annually. The College uses the Texas Community College Teachers Association (TCCTA) Survey to determine market salaries.

The methodology to determine faculty market competitive salaries is:

- Compare the actual salaries paid to full-time faculty (assuming a 9-month contract) at each of the Metro eight community colleges.
- Rank from highest to lowest salary the minimum and maximum salaries at the Bachelor's, Master's, and Doctorate levels.
- Per Board Policy, full-time faculty should be in the top three at each of these points.

Based upon this year's survey results, full-time faculty is compensated among the top three at all the required points of the Bachelor's, Master's and Doctorate levels. **No market adjustments are needed for FY21.**

### C. Adjunct Faculty

Any adjustment needed to the full-time faculty grid would proportionally increase the adjunct faculty LEH rates. Since no market adjustments are needed on the full-time faculty grid, **no market adjustments are needed for adjunct faculty for FY21.**

### D. Non-Faculty Staff

Per policy DEA, non-faculty market studies are conducted in odd numbered calendar years. As such, there was not a market study conducted in this year, and therefore **no market adjustments are needed for FY21.**

### E. Minimum Wage

**The administration recommends maintaining the ACC "minimum wage" at \$15/hour.**

### F. Benefits

Employees have access to a comprehensive benefit program offered by ACC and the State of Texas. **There are no plan changes for FY21 and the ERS Health Insurance Rates are unchanged for FY21.**

## STATUS OF CASH RESERVES (Prior 10 Years)

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total Unrestricted Expenses	202,898,909	206,859,895	214,594,204	230,305,929	229,185,233	234,633,800	242,417,509	260,033,539	271,963,169	318,485,017
16.7% of Expenses	33,884,118	34,545,602	35,837,232	38,461,090	38,273,934	39,183,845	40,483,724	43,425,601	45,417,849	53,186,998
Accounts Payable	12,516,527	11,712,842	16,040,263	12,528,085	10,613,219	13,809,685	11,533,620	25,771,988	23,372,120	29,810,278
<b>Cash Reserve Minimum</b>	<b>46,400,645</b>	<b>46,258,444</b>	<b>51,877,495</b>	<b>50,989,175</b>	<b>48,887,153</b>	<b>52,993,530</b>	<b>52,017,344</b>	<b>69,197,589</b>	<b>68,789,969</b>	<b>82,997,276</b>
Unrestricted Cash	30,235,305	29,947,121	25,649,862	37,077,260	51,086,022	36,787,490	54,360,445	74,205,158	77,927,995	72,198,613
Unrestricted Investments	25,008,986	25,009,519	30,626,026	15,017,046	3,033,682	33,941,050	34,300,983	22,340,916	32,636,551	42,969,535
<b>Total Cash &amp; Investments</b>	<b>55,244,291</b>	<b>54,956,640</b>	<b>56,275,888</b>	<b>52,094,306</b>	<b>54,119,704</b>	<b>70,728,540</b>	<b>88,661,428</b>	<b>96,546,074</b>	<b>110,564,546</b>	<b>115,168,148</b>
<b>% Reserves to Policy Minimum</b>	<b>119.1%</b>	<b>118.8%</b>	<b>108.5%</b>	<b>102.2%</b>	<b>110.7%</b>	<b>133.5%</b>	<b>170.4%</b>	<b>139.5%</b>	<b>160.7%</b>	<b>138.8%</b>

